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Community Economic Development Assistance Corporation

MAY 9 1991

1990 ANNUAL REPORT  
Massachusetts

## Statement from the Chairman and the Executive Director



CEDAC's Acting Chairman, Linda L. Conroy, and Executive Director, Carl A. Sussman

... non-profit developers ...  
have demonstrated  
remarkable perseverance  
and imagination in the face  
of the new fiscal realities.

Today's depressed real estate values, scarce credit, and falling state revenues have not stopped the scores of non-profit developers who rely on CEDAC assistance to carry out their development projects. During the past year these organizations have demonstrated remarkable perseverance and imagination in the face of new fiscal realities: they are adapting their development programs to take advantage of weaker market conditions and new financing and subsidy sources.

This silver lining can be seen in CEDAC's Development Technical Assistance program of predevelopment loans. (See article on page 6). During the 1990 fiscal year (July 1, 1989-June 30, 1990), while many banks backed away from construction loan commitments, CEDAC registered record loan repayments, up 22% from the previous year. More importantly those loan repayments meant that developers of 983 units, 88% of them affordable, closed on construction loans, producing \$89 million worth of development activity. Even more encouraging, CEDAC's lending for new and pipeline projects remained strong at \$1.25 million.

Many nonprofit developers have turned to the Housing Innovations Fund (HIF) to provide subsidized permanent financing for special needs housing, limited-equity cooperatives and other innovative affordable housing projects. CEDAC underwrites HIF loans for the Executive Office of Communities and Development (EOCD), closing 25 loans during the year to finance projects supplying 320 housing units and 142 shelter beds. (See article on page 2).

CEDAC's long term investment in preserving the federally-assisted rental housing stock built during the 1960s



New construction portion of Brooks School Cooperative.

and '70s continues to bear fruit and to offer unique opportunities. Begun years ago to prevent the loss of distressed projects being auctioned under a Reagan Administration policy, CEDAC's Housing Preservation program continues to enjoy success in helping non-profit and tenant organizations secure ownership and rehabilitate projects with the rarest of housing resources, federal dollars. (See article on page 4). In recent years CEDAC efforts have expanded to include "Expiring Use Restriction" projects that are at risk for conversion to market rate housing.

While the impact of state budget cuts and scarce financing has made it far more difficult to develop affordable housing, CEDAC's experience during FY '90 highlights the creativity and sophistication of nonprofit developers, who are managing, against tremendous odds, to plan and build housing for some of the Commonwealth's neediest citizens.

Linda L. Conroy, Acting Chairman

Carl A. Sussman, Executive Director

## The South Middlesex Opportunity Council: Using HIF Loans to Bridge Housing and Social Service Needs

by Sarah Zevin



*Detail of SMOC's SRO located on Washington Street in Hudson.*



*SMOC assisted Main South CDC in Worcester to develop this rooming house on Main Street.*

**A**s a Community Action Agency, the South Middlesex Opportunity Council (SMOC) offers service-oriented programs, such as day care, employment and training, and substance abuse treatment, for low-income people in the greater Framingham community. Serving largely suburban southern Middlesex county, where shelter costs are high, SMOC has also focussed its energies on housing.

In 1986, SMOC formed a subsidiary, the South Middlesex Non-Profit Housing Corporation, to move the organization from housing advocacy to low- and middle-income housing production and management. SMOC's housing arm has since demonstrated how an imaginative agency can use the Housing Innovations Fund (HIF) to think broadly about some of its community's housing needs.

HIF is a CEDAC administered program of long term, low-interest, subordinated loans. The Commonwealth effectively defers HIF interest and principle payments indefinitely unless the housing ceases to serve the low-income people its developers set out to house.

HIF is unique in that it is only available to nonprofit developers and only for "in-

novative" projects such as lodging houses, limited-equity cooperatives, transitional housing, special needs housing and emergency shelters. CEDAC closed almost \$4.5 million in HIF loans in FY '90 to produce 142 shelter beds and 320 housing units.

One focus of SMOC's development program – improving and expanding the supply of single room occupancy (SRO) units for individuals – coincides with HIF's. SROs often house a population that also needs social services. As Jim Cuddy, Executive Director of SMOC notes: "The marriage of affordable housing and social services has succeeded" in the agency's HIF-financed projects.

SMOC has developed and manages many types of SROs as well as shelters for homeless men and women. "Homeless people," remarked Cuddy, "are often exploited in the community. These shelters are designed to preserve the dignity of the guests, as well as to provide many services to enable these men and women to find jobs, permanent housing, and treatment for addiction if necessary."

SMOC's Pathways and Journey Inn family shelters in Framingham shelter up to 19 homeless families and assist them in the search for permanent housing. The staff



members of these shelters are also available to help the families with medical, vocational or educational needs.

#### **HIF Funding**

HIF financing has enabled SMOC to undertake a much more ambitious development program including a higher level of rehabilitation than was previously possible. For example, on its first HIF project, 1012 Pine Street in Framingham, SMOC spent more on rehabilitation than on acquisition of the land and building itself.

HIF funded 25% of the project. That was enough to enable SMOC to meet HIF's affordability guidelines without having to secure scarce state or federal rental subsidies. The result was so economical that EOCD revised the HIF program guidelines to permit higher levels of HIF funding for SRO projects that can achieve the affordability goals without resorting to costly rental subsidies.

SMOC has since developed four more HIF-assisted SRO projects – two in Hudson and two in Marlborough – all without rental assistance subsidies. A fifth SRO project is currently underway in Marlborough which will also combine advocacy offices for community organizers and a homeless shelter.

#### **Partners for Housing Alternatives**

In addition to developing properties in its own community, SMOC recently branched-out by consulting to other service agencies and non-profit housing providers in developing and managing SRO's, group homes and homeless shelters. This provides a much needed service to community-based organizations who wish to create SRO units but have no experience in what Cuddy calls "the more intense management required of SRO apartments."

The Main South Community Development Corporation in Worcester and the Veterans Benefit Clearinghouse (VBC) of Roxbury have taken advantage of these services. Main South has developed two HIF-financed SRO projects containing 40 units with SMOC's advice. VBC has plans for a special needs shelter in Dorchester for homeless veterans.

While the HIF program is only two years old, SMOC has been a pioneer in discovering the breadth of opportunities this unique program offers. For SMOC, HIF has not only helped to finance projects, it is the core of a development strategy, including the unification of affordable housing and social service delivery. ■

*"The marriage of affordable housing and social services has succeeded."*

Jim Cuddy  
SMOC's Executive Director



*The second SRO in Hudson developed by SMOC, located on Lincoln Street.*



Recently restored Granite Properties.

## CEDAC's Housing Preservation Strategy

Since 1983 a major focus of CEDAC's program has been preserving the stock of federally-subsidized multi-family rental housing in the state. This type of housing represents half of the subsidized stock nationally. Given the cost of building new units and the large number of existing units in the subsidized stock that are threatened, CEDAC has seen the preservation of affordable units as being as important as the construction of new ones.

CEDAC has fostered resident or non-profit ownership and control of projects that are at risk, due to financial or physical distress, as well as those whose affordability is threatened by regulatory and market pressures. It has been a strategy that has worked.

*Continued on page 5*

## North Canal Apartments: Preserving Affordable Housing

**T**he roof leaked. Pieces of the walls and ceilings fell off in chunks. Defective plumbing often left toilets, sinks and tubs dry. Blackouts were common. In icy weather the furnace could shut down for days at a time, and crumbling cement exteriors made the North Canal Apartments in Lowell's poorest district, a widely recognized eyesore, dubbed "Cement City."

But when in 1984 CEDAC identified the property as one likely to be seized by the U.S. Department of Housing and Urban Development (HUD), the Coalition for a Better Acre (CBA), the local CDC, recognized the repercussions that might arise from the displacement of North Canal's 267 low income households. CBA took up the improbable battle to save North Canal.

Lowell had been an industrial ghost town for decades after its mainstay, the textile industry, moved south early in this century. In the 1970s, successful planning and the siting of federal and state parks around the old mill buildings revived the city, attracting new industry and revitalizing the local economy. As real estate prices rose, the economic rebirth of the city threatened the future of the Acre, a poor and largely immigrant district with a heavy Hispanic and growing Southeast Asian population.



North Canal tenant activist, Marisol Herrington with her daughter.



Construction worker applies new brick facade to North Canal's old concrete walls.

In 1982, as the city proposed to raze a whole section of this district for market rate housing, community activists formed the Coalition for a Better Acre, and in short order had halted the demolition and attracted financial support from Aetna Insurance to help redevelop a number of properties in the area. Seeking to build a stable base for the neighborhood, CBA renovated some smaller buildings, constructed 28 new housing units on vacant lots, and convinced the city to invest in upgrading the public areas of the Acre. In the process, the Coalition, which had demonstrated strong grassroots support in its fights with city hall, won municipal support for its development program.

As CBA began the slow process of turning its district around, CEDAC's staff began work with the community development group on a strategy to gain control of and redevelop North Canal. Built with federal assistance in 1968 for moderate- and low-income families, North Canal appeared as one of the few non-Boston projects on CEDAC's 4,500 unit list of distressed HUD properties at risk of being foreclosed. CEDAC and CBA feared that a foreclosure would lead to gentrification and displacement, or to inadequate rehabilitation to remedy the slum living conditions in the shoddily built and financially troubled project.

*"These federally assisted projects afford a unique opportunity . . ."*

Vincent O'Donnell  
*CEDAC's director of development*

*Continued from page 4*

Among the most significant achievements of CEDAC's housing preservation program, in addition to North Canal, have been:

- Preservation of four distressed projects containing 514 units through the creation of tenant-owned limited equity cooperatives.
- Conceiving of the purchase and rehabilitation of 954 units of Granite Properties by seven CDCs in concert with the Boston Housing Partnership and initiating negotiations with the U.S. Department of Housing and Urban Development that led to the sale.
- Acquisition and rehabilitation of a 500 unit "expiring use" project in Somerville by a resident-controlled non-profit which is scheduled to close this fall.

CEDAC's work on Boston projects has been supported in part through a long-term contract with the City of Boston's Public Facilities Department. It has enabled CEDAC to become involved at a very preliminary stage and to serve as an advocate for tenants. CEDAC is currently providing services to 8 distressed or expiring use projects in Boston.

"These federally assisted projects often pose a challenge to their communities," observes Vincent O'Donnell, CEDAC's director of development. "What we have demonstrated is that these properties also afford a unique opportunity; an opportunity, to work constructively with HUD, which has come to embrace our commitment to non-profit and resident ownership, and, utilizing federal housing subsidies, to improve conditions and bring some stability to much needed low-income housing." ■



*Tenant activists helped CBA's preservation effort.*

Joining with a newly formed tenant committee in the housing project, the coalition mounted an extremely effective political campaign reaching from Lowell to Boston and Washington. Eventually, court action forced the private owners to transfer title to HUD in 1987. With the help of \$200,000 in front money and technical assistance – the largest single loan ever made by CEDAC – in December 1989 a partnership consisting of CBA and the North Canal Tenants Council paid HUD one dollar and officially assumed ownership of the buildings, backed up by financing from a group of Lowell banks, a low-interest construction loan, and the Federal National Mortgage Association, or Fannie Mae.

HUD Secretary Jack Kemp was there for the ceremony to salute the first HUD project of its kind to be sold to a tenants group under his administration. "I'd eventually like to see all the HUD properties in the hands of the tenants who live in them," Kemp said at a ceremony to celebrate CBA's and the tenants' triumph. "We want to offer this kind of opportunity to everyone."

Renovations are nearing completion, with new interiors, floors, wiring, lighting, windows, plumbing, heating, and carpeting, a new brick skin on the outside, and a new roof. North Canal has



*HUD Secretary Jack Kemp and Senator John F. Kerry in Lowell to launch North Canal reconstruction project.*

shed its "cement city" image along with its old concrete skin. But at North Canal, the changes are more than skin deep. In addition to the obvious physical improvements and financial stability, the CBA initiative has led to a strong tenant organization that played a key role in preserving this affordable housing. And that is a lesson in empowerment that is at the heart of CBA's development strategy. ■

## Development Assistance Loans: CEDAC-Assisted Projects Reaching Completion

The core of CEDAC's program continues to be its development assistance lending. These interest-free Site Control Loans, Technical Assistance Advances, and Front Money Loans supply the risk capital for scores of affordable housing developments around the state.

In the past year, CEDAC lent funds to 46 nonprofit developers in FY 90 for work on 59 projects. If all of these projects reach a construction loan closing, they would yield 3,926 housing units with a total development cost of \$246 million.

While the risk associated with lending to projects well in advance of financing commitments and even site control is considerable, because real estate development is so capital intensive, relatively small predevelopment loans leverage very large development budgets. Last year, for example, almost \$1 million in CEDAC predevelopment loans – in some cases loans made years earlier – resulted in construction starts on \$89 million worth of development projects.

In many cases CEDAC staff also served as development advisors providing valuable technical assistance during the development process. This hands-on involvement is a crucial component in CEDAC's risk management procedures. Since its loans are only repaid if the project reaches a successful construction loan closing,



*Worker puts finishing touches on Plain Road condominiums constructed by the Franklin County CDC.*

CEDAC is a true equity partner with a powerful incentive to assist its borrowers as they navigate through the development process.

Here is a sampling of recently launched projects:

■ **PLAIN ROAD** Franklin County CDC's Plain Road development is a successful continuation of its effort to provide affordable homeownership opportunities to the Greenfield area. With an emphasis on responsive site design, this rural six unit Homeownership Opportunities Program project is supported by MHFA permanent mortgages and a Housing Development Support Program grant.



*Quincy Geneva HDC rehabilitated the Brooks School.*



*Ineabella Negron and Karina Heredia, two new residents of Heritage Common in Lawrence.*



*The Main Street Cooperative in Athol.*



*Architect's elevation for Pilot Grove Hill in Stow.*

■ **WEBSTER MEADOWS** Construction ended and rent-up began in the spring on this 70 unit elderly and handicapped accessible housing project in Webster. Rural Housing Improvement and The Community Builders assisted the developer, Webster Housing for the Elderly.

■ **TAINO TOWER** Inquilinos Boricuas en Accion (IBA) began construction of Taino Tower, a 29 unit condominium development on Tremont Street in Boston's South End. An adaptive re-use of a burned out former church structure, Taino Tower will provide mixed-income residential units for sale, as part of IBA's effort to provide homeownership opportunities to residents of its rental properties which abut Taino Tower.

■ **THE ELIAS BUILDING** Now nearing completion, this project will provide twelve new four-bedroom units of low-income rental housing and 6,000 square feet of commercial space on Lowell's main street. Formerly a fire-damaged and vacant set of storefronts, the Coalition for a Better Acre salvaged the historic property in part to offer commercial space to merchants from the city's growing Southeast Asian community.

■ **PORTLAND STREET** Cambridge's Homeowners Rehab completed the reconstruction of a burned-out structure near MIT to create eight condominiums, all of which it sold for below-market prices.

■ **PILOT GROVE HILL** Developed by the Stow Community Housing Corporation, construction began on this 60 unit mixed-income rental project during the spring. It occupies a nicely wooded hillside in Stow. MHFA financed Pilot Grove Hill.

■ **MAIN STREET COOPERATIVE** The Miller's River Self Help Network CDC orchestrated the conversion of this four unit building in Athol into the first limited equity cooperative in the area, with financing from the Housing Innovations Fund and local lenders.

■ **NORTH CANAL APARTMENTS** The Coalition for a Better Acre and the North Canal Tenants Council were jointly responsible for the acquisition and substantial rehabilitation of North Canal Apartments, a 267 unit apartment complex near downtown Lowell.

■ **BROOKS SCHOOL** Developed by the Quincy Geneva Housing Development Corporation, this project combines newly constructed townhouses and the adaptive re-use of the former Phillip Brooks School to provide 56 units of limited equity cooperative housing.

■ **WALL STREET CONDOMINIUMS** The Oak Hill CDC will provide eight new homeownership opportunities with its Wall Street development in Worcester. With mortgages written down by the Housing Opportunities Program, the CDC's first development project will offer very affordable units to local prospective homebuyers.

■ **LANGHAM COURT** Developed by the Four Corners Development Corporation, Langham Court will produce 84 units of limited equity cooperative housing. It has been designed to blend in with the traditional brick architecture of the South End.

■ **HERITAGE COMMON** Construction has been completed on Heritage Common, a 140-unit syndicated limited-equity cooperative housing development near downtown Lawrence. ■



*Framing for IBA's Taino Tower condominium project.*



*CBA restored the historic Elias Building in Lowell.*



*One of the first time homebuyer families at Oak Hill CDC's Oak Hill Estates is the Arraje family. Michael and Kim Arraje inspect their new home with sons Michael, Jr. (standing) and Zachary.*

# CEDAC's Development Assistance Loan Commitments

All Funding Sources 7/1/89-6/30/90

Project Name	Organization Name	Program Description	No. of Units	% Affordable	Total CEDAC Commitments
523 Massachusetts Avenue	Boston Citywide Land Trust	Acquisition and completion of rehabilitation of an 18 unit lodging house in the South End. BC LT purchased property at foreclosure sale to preserve public equity and to protect the units as low income housing.	18	100.0	10,000.
ABCDC SRO Collaborative	Allston-Brighton CDC	The Allston Brighton CDC plans to acquire and rehabilitate a 12 unit lodging house to place DMH and AIDS Action Committee clients in the units as turnover allows.	12	100.0	8,000.
Albion Street	YouthBuild Boston, Inc.	Rehabilitation of an existing three decker into three, two bedroom units. The building would be sold to a low income homebuyer, using labor of youth trainees, who would rent two units to Section 8 tenants.	3	100.0	4,500.
Allen Park I & II	Allen Park Tenants	Purchase and rehabilitation of two Section 221(d)(3) Association, Inc developments in Springfield totalling 264 units, for preservation of affordability by a tenant controlled nonprofit or cooperative corporation.	264	100.0	6,300.
BCLT SRO Collaborative	Boston Citywide Land Trust	The 26 Angell Street SRO in Dorchester is an 18 unit SRO being developed by the BCLT as part of the SRO Special Needs Collaborative. The housing preserved will serve people with AIDS, chronically homeless clients of DMH and low income people.	18	100.0	7,000.
Bolton Street Homes	South Boston CDC	The development of 35-42 cooperative units of housing for low and moderate income family ownership.	35	100.0	16,000.
Bowdoin Lodging House	Boston Citywide Land Trust	Acquisition and rehabilitation of three attached rooming houses (37, 39 and 41 Bowdoin St.) containing single room occupancy units and one commercial space (restaurant).	122	57.4	50,000.
Buildable Lots Phase 4	Dorchester Bay EDC	New construction of three duplex homes on three sites, for a total of six three bedroom units. The homes will be subdivided and sold on a fee simple basis to six low and moderate income buyers.	6	100.0	1,000.
Casa Julia	Casa Esperanza	Development of a bed treatment program for substance abusing Hispanic women and their children. The program would develop two unrehabbed Infill sites into the recovery and treatment home.	20	100.0	3,000.
Castle Square HUD Expiring Use Restriction Project	Castle Square Tenants Organization	The tenants organization is negotiating participation in the future ownership of the development, which is in the process of a transfer of physical assets under the requirements of the 1987 Emergency Low Income Hsg Preservation Act.	500	100.0	14,667.
Castle St. Coop.	Main South CDC	Reorganization of the governance of an existing troubled, 19-unit cooperative in Worcester and refinancing to achieve completion of moderate rehabilitation.	19	100.0	2,100.
Center For Elders	La Alianza Hispana	New construction for 12-16 units of elderly housing combined with social service program space in Jamaica Plain.	16	100.0	15,000.
Charlame Park Homes I Cooperative Housing	Charlame Park Homes Residents Association	Financial and organizational workout of a 92 unit limited equity housing cooperative in the Washington Park area of Roxbury. Construction has now resumed on the site.	92	54.3	10,000.
Chester Square	Tent City Corporation	Redevelopment of 29 units of deteriorated, half vacant MHFA-financed housing in the South End. The redevelopment would rehabilitate the units and, it is hoped, allow for conversion to non-profit ownership.	29	100.0	20,000.
Chestnut-Lamartine	Urban Edge Housing Corporation	New construction of about 50 townhouse units on vacant private, city and MBTA owned parcels in the Jamaica Plain section of the Southwest Corridor.	50	70.0	30,000.
Clarendon Hill Towers	Clarendon Hill Towers Tenant Association, Inc.	Acquisition and preservation as lower-income housing, of a 500 unit HUD-subsidized 221 (d)(3) expiring use restriction project in Somerville.	500	100.0	126,500.
College Highway Apartments	Easthampton Housing For Elderly	New construction of 40 units of elderly housing financed through HUD's 202 program.	40	100.0	40,000.
Columbia Square	Dorchester Bay EDC	Acquisition and rehabilitation of three primarily commercial buildings in Upham's Corner, Dorchester, to revitalize a major component of the commercial district, including preservation of six units of affordable housing.	6	100.0	15,000.
Cortes Street	Arlington Square CDC	Substantial rehabilitation of four SRO buildings in Bay Village to preserve 42 currently vacant and deteriorated low income single room occupancy dwelling units.	45	100.0	73,000.
Dorchester Buildable Lots	Dorchester Bay EDC	New construction of 26 units of mixed-income for-sale housing on parcels to be acquired from the City of Boston.	26	53.8	20,200.
ETC and Associates HUD Expiring Use Restriction Project	Inquilinos Boricuas en Accion	Conversion of A HUD-financed Section 236 project with a nonprofit controlled co-general partner into a limited equity cooperative.	71	100.0	6,628.
Fenway CDC SRO Collaborative	Fenway CDC	The Fenway CDC plans to acquire and rehabilitate 12 SRO units located at 57 Hemenway Street. Upon completion, the building will serve three people with AIDS and three chronically mentally ill clients of the DMH and also provide six other SRO units.	12	100.0	4,000.
Ferry Street Cooperative	Tri-City Community Action Program, Inc.	New construction of a 29 unit limited equity cooperative on a vacant site in Everett.	29	62.1	20,000.
Fortes House	Robert L. Fortes House Corporation	Workout including a transfer of ownership, of the financially distressed 44 unit elderly rental development to avoid foreclosure by HUD.	44	100.0	17,500.
Franklin Park I & II	Tenants Against Mismanagement	Preservation of 373 units of deteriorated HUD-assisted rental housing. Owner is currently in Chapter 11.	373	100.0	22,000.
Gardner St SRO	Allston-Brighton CDC	Acquisition and rehabilitation of a vacant, three story Victorian building for conversion to single room occupancy.	9	100.0	7,500.
Geneva Avenue Apartments	Dorchester Bay EDC	Purchase of property from its present owner and completion of repairs and stabilization of the property.	60	100.0	13,240.
Group Homes For DMH Clients	South Shore HDC	Development of three group homes in the communities of Kingston, Hanson and Marshfield, for DMH clients under the HUD 202 program. Each home would provide two four-bedroom units to house eight DMH clients per building.	24	100.0	36,200.
Hampshire Inn	Valley Community Development Corporation	Moderate rehabilitation of an existing building in Northampton, and conversion to fifteen units of single room occupancy housing.	15	53.3	9,750.

## CEDAC's Development Assistance Loan Commitments (continued)

Project Name	Organization Name	Program Description	No. of Units	% Affordable	Total CEDAC Commitments
Hitching Post Apartments	South Shore HDC	Redevelopment of an existing 32 unit apartment complex in Wareham.	32	100.0	20,000.
Hospice of Cambridge Home	Hospice of Cambridge	Development of a five room hospice in a recently acquired private home in Cambridge to serve terminally ill persons.	5	100.0	7,500.
Huntington Revitalization	Hilltown CDC	Acquisition and rehabilitation of a group of five brick buildings located on eight contiguous properties into seven commercial units and seven residential units.	7	57.1	4,250.
IBA SRO Collaborative	Inquilinos Boricuas en Accion	Inquilinos Boricuas En Accion plans to acquire and rehabilitate 11 units of SRO housing for persons with AIDS, chronic mental illness and others at risk of homelessness.	11	100.0	4,750.
Longshank	Falmouth Housing Trust	The Falmouth Housing Trust proposes to develop 20 units of housing for low and moderate income first time homebuyers.	20	100.0	20,000.
Lorne Street	Lena Park CDC	To assemble a four acre site abutting the Lena Park CDC's headquarters to develop 60 homes. Plan involves a syndicated limited equity cooperative.	60	65.0	20,000.
Low Cost Housing	Low Cost Housing Tenants Association	Rehabilitation and conversion of 72 units of low and moderate income, former HUD foreclosed, housing into a tenant owned cooperative.	72	100.0	5,000.
McKnight Neighborhood Cooperative	McKnight Homeowners Association	New construction and moderate rehabilitation of 29 units of mixed income cooperative housing on scattered sites in the McKnight area of Springfield.	29	51.7	9,000.
Mission Hill Artist Housing	Mission Hill Artist Housing Corporation	Acquisition of 32,800 square feet of city and privately owned land for development of artist low income live-work cooperative studios and market condominiums.	12	75.0	3,500.
Nuestra Comunidad SRO Collaborative	Nuestra Comunidad	Nuestra Comunidad plans to convert a two and one half story masonry building into a lodging house with 18 units. The housing will serve people with AIDS, chronically mentally ill homeless clients of DMH and other low income individuals.	18	50.0	8,500.
Oakland Ridge (Granite St SHARP)	New Housing Ventures, Inc.	Acquisition of a vacant 15-acre site in Worcester and development into mixed income rental housing. Subsidies to be sought to include SHARP, RDAL, Ch 707 or Section 8 assistance and CDAG for connection to city services.	54	66.7	6,000.
Orange Scattered Site Cooperative	Miller's River Self Help Network CDC	Acquisition and rehabilitation of five-eight small unit buildings in Orange and their conversion into a scattered site, limited equity cooperative.	18	100.0	20,750.
Pilot Grove Hill	Stow Community Housing Corporation	New construction of 60 rental units in Stow, with MHFA financing and SHARP assistance.	60	61.7	150,000.
Point Cooperative	Salem Harbor CDC	Acquisition and rehabilitation of 77 units of existing rental housing. The foreclosed properties are located in 11 buildings around Salem's Point neighborhood.	77	41.6	45,000.
Rollstone Limited Equity Cooperative	CDC of Fitchburg	New construction of 24 units of limited equity cooperative housing, to be developed on turnkey basis for acquisition by the CDC of Fitchburg.	24	50.0	3,500.
Roxse Homes	Roxse Tenants Council	Acquisition of financially-distressed multifamily residential development for conversion to resident ownership.	364	100.0	2,500.
SRO And Congregate Housing	Boston Citywide Land Trust	Bridge loan to coordinate six nonprofits involved in the acquisition and rehabilitation of six sites for low income residents, including AIDS and DMH clients.	0	0.0	50,000.
Self Help Housing Program	Hilltown CDC	Utilizing the FMHA Self Help Housing Loan Program, the Hilltown CDC will develop eight homeownership opportunities for moderate and low income residents from their service area.	8	100.0	8,750.
South City Housing	Nueva Esperanza, Inc.	Rehab 33 units in five buildings and new construction of 56 more units in Holyoke. All units in existing structure will be subsidized through C.707 Mod rehab, Section 8 and C.707 certificates.	89	100.0	25,000.
South Huntington Avenue	Caritas Communities, Inc.	Acquisition and rehabilitation of four existing lodging housing, containing 65 rooms. Caritas' ownership and management of the property will ensure long term affordability and responsible management.	65	50.8	20,000.
Supportive SRO Units For Women	Cambridge YWCA	The Cambridge YWCA will preserve SRO units through a redevelopment effort which uses proceeds of development rights to other parcels to raise capital to finance the SRO piece of the redevelopment.	107	70.1	56,500.
Tent City SRO Collaborative	Tent City Corporation	The Tent City Corporation plans to develop 30 units of SRO housing. The housing will serve people with AIDS, chronically mentally ill homeless clients of DMH and low and lower income individuals.	30	100.0	10,000.
The Pines at "O" Street	Franklin County CDC	Construction of 10 detached single family homes in Turners Falls on approximately 4.3 acres of land. Homes to be approx. 1200 s.f., three bedroom, with majority to be sold through the HOP program.	10	70.0	10,000.
Townsend Street Congregate Housing	Women, Inc.	Development of a new 10 unit congregate housing facility for women and children with AIDS.	10	100.0	4,500.
Trinity House	Neighborhood of Affordable Housing Inc.	Acquisition of a vacant landmark neighborhood house and conversion to 22 SRO units for elderly residents.	22	100.0	3,150.
Turner's Falls Cooperative	Greenfield Area Community Land Trust	Acquisition and rehabilitation of two existing apartment buildings (four units and five units) in Turner's Falls, and conversion to limited equity cooperative ownership with a land lease from the Land Trust.	9	100.0	5,500.
University Park/ Brookline Street	Homeowner's Rehab, Inc.	New construction of 160 units of mixed-income multi-family for sale housing on vacant land.	159	37.7	25,000.
Westland Avenue	Caritas Communities, Inc.	Acquisition and rehabilitation of two existing lodging houses, containing 62 rooms.	62	100.0	54,500.
Williamsburg FMHA	Housing Allowance Project	The proposed project would create 28 units of elderly rental housing in Williamsburg, a small town just west of Northampton, financed within a 50 year, 1% mortgage loan from the Farmers Home Administration.	28	100.0	37,500.
Wyman Street Cooperative	Main South CDC	Acquisition and conversion of a six unit rental property, plus one store, into a limited equity cooperative in Worcester.	6	100.0	4,000.
Total Projects: 59	Total Borrowers: 46		Total Units: 3926	88.3%	\$1,252,645.

## CEDAC Cosponsors National Conference

## Child Care Initiative Selects CEDAC



*Acquiring Expiring  
Use Properties:  
A Conference for  
Nonprofit & Tenant  
Organizations*

*January 28-30, 1991  
Danvers, Massachusetts*

**O**ver 29,000 units of federally assisted low and moderate income housing in Massachusetts constructed during the 1960s and '70s are at risk of being converted to market rate housing because of mortgage provisions permitting owners to prepay after 20 years, and thus relieving owners of their obligation to rent to low and moderate income households. The incentive to prepay is high because tax benefits have been exhausted and in many cases there is substantial equity build-up.

This crisis can be an opportunity for non-profit developers. For example, the newly formed Clarendon Hill Tenants Association is acquiring a 500 unit project in Somerville. CEDAC, which helped structure that acquisition, will be cosponsoring, with the National Housing Law Project in California, a national workshop on preserving the nation's federally subsidized housing stock which is at risk due to expiring use restrictions (EUR).

The workshop is designed for community development corporations, non-profit housing developers, housing intermediaries, legal services lawyers, state and local officials and other housing advocates.

Vincent F. O'Donnell, CEDAC's director of development, participated in the development and presentation of a pilot version of the conference held earlier this year in California. CEDAC is pleased to offer the workshop in Massachusetts, and it is particularly excited that it will take place at a critical time: Congress recently enacted legislation designed to preserve EUR housing. Many of the conference presenters are people who helped craft the statute.

The conference will feature a one day development primer, followed by two full days devoted to the expiring use restriction issue. An exceptionally complete set of resource materials has been developed, and the program will feature case studies presented by the parties to the most current and relevant nonprofit and tenant owned preservation efforts in the nation.

CEDAC can provide more information regarding the conference program, as well as registration materials. ■



**A**fter two years of planning, the United Way of Massachusetts Bay recently launched a major new initiative to focus on two critical components of a healthy child care system: human resources and physical facilities. To address the latter, United Way, local foundations and corporations have formed the Child Care Capital Investment Fund (CCCF) which will furnish non-profit day care providers with access to capital.

United Way has selected a joint venture of CEDAC, the Technical Development Corporation (TDC) and the Child Care Resource Center (CCRC) to administer the new fund. CEDAC will manage the loan program with its board serving as the loan committee.

"We are delighted to have found a team which has such extensive experience assisting non-profit organizations in management, development, and child care matters," Micho Spring, United Way's board chairman said.

"With the Fund's targeting to non-profit centers serving low-income and minority households, we think this initiative is a natural complement to CEDAC's other activities," reported Carl Sussman, CEDAC's executive director. "Like our housing development programs, the Child Care Initiative mobilizes the energies of non-profit organizations to address a basic community need. Managing the Fund will be an exciting challenge for us," Sussman added. ■



**CHILD  
CARE  
INITIATIVE**

## A Board of Directors That Does More Than Set Policy



Linda Conroy and Bill Traynor



Bill Traynor



Bill Concannon and Barbara Cleary



Tom Welch



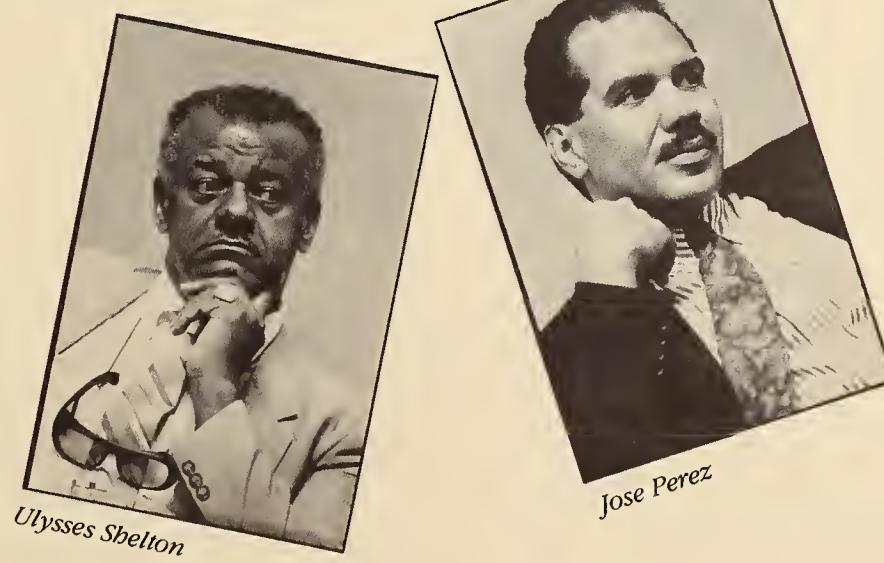
Clark Ziegler

Every six weeks, the nine members of the CEDAC board of directors, along with the CEDAC staff, gather early in the morning around a conference table. Before each of them, among the coffee cups and half eaten muffins, is a thick binder of papers containing staff recommendations and back-up materials on each of the projects seeking CEDAC's financial assistance. While most boards guide an organization through policy-making and budget-setting, CEDAC's enabling statute requires its board to also approve each grant of assistance; a requirement that means CEDAC's board plays a pivotal role in the corporation's operations.

At first blush, this unusually expansive board role would appear to be a prescription for conflict between the corporation's staff and board. "Rather than creating friction," observes Carl Sussman, CEDAC's executive director, "the staff finds the board participation a useful part of the process of shaping CEDAC's assistance."

Sussman points out that the board contains a private developer, a non-profit developer, public and private lenders and investors, public policy makers and a social service provider. "It is a group that brings a diversity of perspectives, expertise in a variety of fields, and years of experience to our lending decisions."

"There is a special chemistry between the board and staff," comments acting chairman, Linda Conroy. "The board has a great deal of respect for the staff and it is obviously reciprocated. I think that is the secret to CEDAC's success in involving the board so directly in decision-making."



Ulysses Shelton

A part of that respect is also due to the level of board preparation. Several days before each meeting the staff delivers a hastily bound 200 page tome containing staff summary recommendations, financial proformas, and narrative materials on the dozen or more projects typically on each meeting agenda.

"There is always a question about what level of time commitment and effort you can reasonably expect from a volunteer board," observes Mike Gondek, CEDAC's deputy director. "So the staff is always pleased to see that the directors have plowed through the packet, focus their questions on the major risk and feasibility issues, and stay the two to three hours it takes to wade through the full agenda."

The staff also likes the board's open door policy. Organizations seeking CEDAC assistance are invited to attend the board meetings and are given the opportunity to make a statement and respond to questions.

"It is a practice that gives useful feedback to the prospective borrower and helpful information to the board," Sussman noted.

Director and treasurer Tom Welch summed-up the sentiment of both the board and staff: "The board's review imposes a healthy discipline. And it works because of the mutual respect between board and staff and the shared sense that the process enhances CEDAC's track-record. It is something we can all take pride in." ■

Jose Perez

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*Carl A. Sussman,  
Executive Director*

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*SRO developed by SMOC on  
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